

RECORDATION NO. 21162 FILED

JAN 14 '98

11-42AM

NorRail®, Inc.
Buying, Selling, Leasing
And Management of Railcars

308 12th Avenue South, Buffalo, Minnesota 55313 • Phone: (612) 557-0215 • Fax: (612) 682-2452

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
1925 K. Street NW, Suite 700
Washington, D.C. 20423

January 13, 1998

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two originals of Memorandum of Railcar Lease Agreement dated as of October 31, 1997, a primary document as defined in the Board's Rules for Recordation of Documents.

The names and addresses of the parties to the enclosed documents are:

Lessor: NorRail, Inc.
308 - 12th Avenue South
Buffalo, MN 55313
Phone: 612-557-0215

Lessee: Union Pacific Railroad Company
1416 Dodge Street
Omaha, NE 68179
Phone: 402-271-3818

The Memorandum of Railcar Lease Agreement covers one hundred (100) Bulkhead Flatcars identified in Exhibit A to Schedule No. 2 to the Memorandum of Railcar Lease Agreement. Enclosed is our check in the amount of \$24.00 payable to the order of the Surface Transportation Board covering the required recordation fee. Kindly return one stamped copy of the enclosed document to the undersigned. If you have any questions or require any further information in connection with this filing, please contact the undersigned at 612-557-0215.

Very truly yours,

Bradley C. Gunstad
Vice President & General Counsel
Enclosures

FORMS/STB

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MEMORANDUM OF RAILCAR LEASE AGREEMENT

THIS MEMORANDUM OF RAILCAR LEASE AGREEMENT is made and entered into as of October 31, 1997 by and between NorRail, Inc., a Minnesota Corporation ("Lessor") and Union Pacific Railroad Company, a Nebraska Corporation ("Lessee"), with reference to the following:

1. Lessor has agreed to lease to Lessee, and Lessee has agreed to lease from Lessor various railcars pursuant to one or more Schedules to the Lease to be entered into by Lessor and Lessee from time to time, all as more particularly described in that certain Railcar Service and Lease Agreement No. 1737 dated October 31, 1997 between Lessor and Lessee (hereinafter referred to as the "Lease").
2. Pursuant to Schedule No. 2 to the Lease, Lessor has agreed to lease to Lessee and Lessee has agreed to lease from Lessor the 100, 61 Foot 100 Ton Bulkhead Flatcars bearing the reporting marks and numbers indicated on Exhibit A hereto, all as more particularly described in the Lease.
3. The Lease shall be effective as of the execution date thereof and shall be subject to the term of the Lease, as provided therein.

IN WITNESS WHEREOF, the parties hereto have executed or caused this Memorandum of Railcar Lease Agreement to be executed as of the date first above written.

Lessor: NORRAIL, INC.

Lessee: UNION PACIFIC
RAILROAD COMPANYBy: [Signature]By: [Signature]Its: [Signature]Its: VULF PROSIDENT SUPPLYBy: [Signature]Its: U.P. SAKHS

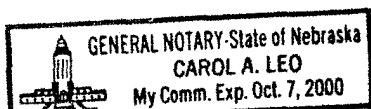
EXHIBIT A To SCHEDULE NO 2.
To
MEMORANDUM OF RAILCAR LEASE AGREEMENT

1. TR 165006	35. TR 165040	69. TR 165074
2. TR 165007	36. TR 165041	70. TR 165075
3. TR 165008	37. TR 165042	71. TR 165076
4. TR 165009	38. TR 165043	72. TR 165077
5. TR 165010	39. TR 165044	73. TR 165078
6. TR 165011	40. TR 165045	74. TR 165079
7. TR 165012	41. TR 165046	75. TR 165080
8. TR 165013	42. TR 165047	76. TR 165081
9. TR 165014	43. TR 165048	77. TR 165082
10. TR 165015	44. TR 165049	78. TR 165083
11. TR 165016	45. TR 165050	79. TR 165084
12. TR 165017	46. TR 165051	80. TR 165085
13. TR 165018	47. TR 165052	81. TR 165086
14. TR 165019	48. TR 165053	82. TR 165087
15. TR 165020	49. TR 165054	83. TR 165088
16. TR 165021	50. TR 165055	84. TR 165089
17. TR 165022	51. TR 165056	85. TR 165090
18. TR 165023	52. TR 165057	86. TR 165091
19. TR 165024	53. TR 165058	87. TR 165092
20. TR 165025	54. TR 165059	88. TR 165093
21. TR 165026	55. TR 165060	89. TR 165094
22. TR 165027	56. TR 165061	90. TR 165095
23. TR 165028	57. TR 165062	91. TR 165096
24. TR 165029	58. TR 165063	92. TR 165097
25. TR 165030	59. TR 165064	93. TR 165098
26. TR 165031	60. TR 165065	94. TR 165099
27. TR 165032	61. TR 165066	95. TR 165100
28. TR 165033	62. TR 165067	96. TR 165101
29. TR 165034	63. TR 165068	97. TR 165102
30. TR 165035	64. TR 165069	98. TR 165103
31. TR 165036	65. TR 165070	99. TR 165104
32. TR 165037	66. TR 165071	100. TR 165105
33. TR 165038	67. TR 165072	
34. TR 165039	68. TR 165073	

STATE OF Nebraska, COUNTY OF Douglas TO WIT:

On this 3rd day of November, 1997 before me personally appeared, Michael J. Cronin and _____, to me personally known, who being by me duly sworn, says that they are the V.P. Supply and _____, respectively of Union Pacific Railroad Company, a Nebraska Corporation, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

(Seal)



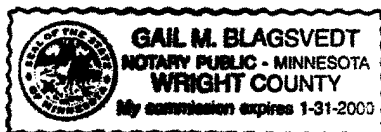
Carol A. Leo
Notary Public

My commission expires: Oct. 7, 2000

STATE OF MINNESOTA, COUNTY OF WRIGHT TO WIT:

On this 12th day of November, 1997 before me personally appeared, Robert D. Johnson and L. Lee Stubble, to me personally known, who being by me duly sworn, says that they are the President and V.P. Sales, respectively of NorRail, Inc. a Minnesota Corporation, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

(Seal)



Gail M. Blagsvedt
Notary Public

My commission expires: 1-31-2000